Market Daily Update

06 AUGUST 2026

Interest Rates			FX			Commodities		
Australia		Δ bp	AUD/USD	0.7058	0.1%	WTI Crude Oil	74.97	-$0.38
90-day Bill	4.50	0	AUD/JPY	111.30	0.2%	Brent Crude Oil	79.32	$0.31
3-year Bond	4.47	-1	AUD/EUR	0.6107	-0.1%	Mogas95*	97.58	$0.60
10-year Bond	4.91	-1	AUD/GBP	0.5241	0.0%	CRB Index	374.49	1.05
			AUD/NZD	1.2000	0.1%	Gold	4285.92	$206.46
			AUD/CNY	4.7653	0.2%	Silver	62.34	$2.70
US			EUR/USD	1.1556	0.2%	Iron Ore (61% Fe)**	95.10	$1.30
2-year	4.18	-1	USD/JPY	157.69	0.1%	Iron Ore (26-27 Average)	97.75	-$0.08
10-year	4.60	-1	USD/CNY	6.7491	0.0%	Copper	14110.50	$44.00
			RBA Policy			**Equities**		
			O/N Cash Rate Target		4.35	ASX200	9277	106
Other 10-year			Interbank O/N Cash Rate		4.35	Dow Jones	54349	263
Japan	2.78	-5	Probability of a 25bps Hike in Aug		0.0%	S&P500	7724	-13
Germany	3.11	0	RBA Bond Holdings (31 Jul)		A$227.4b	Stoxx600	657	0
UK	4.89	-1				CSI300	4658	57

*Mogas95 is the Singapore benchmark petrol price closely linked to Australian domestic fuel prices.
**Iron ore is the second SGX futures contract.

The S&P 500 eased from its record high overnight as investors awaited further news on efforts to resolve the US-Iran conflict. The Nasdaq fell 0.8%, while the Dow Jones reached another record high. This followed mixed results in Europe and gains across the Asia-Pacific region amid optimism about the pending reopening of the Strait of Hormuz.

Iran said it had reached an agreement with Oman on a proposed shipping route through the Strait, with a joint statement in the final stages of drafting. Oil prices were mixed overnight: WTI futures declined further, while Brent futures rose slightly but remained below US$80 a barrel.

The decline in WTI futures eased US inflation concerns, contributing to a further slight fall in US Treasury yields. This came despite more hawkish Fedspeak, with Fed Governor Lisa Cook echoing recent warnings from FOMC dissenters that the longer inflation remains above the Fed's 2% goal, the harder it will be to bring down. Both Cook and Minneapolis Fed President Neel Kashkari advocated for an increase in the fed funds rate.

The Australian dollar appreciated against the greenback and Japanese yen, while Commonwealth bond yields edged lower. The ASX 200 gained 0.9% yesterday, with sector gains and losses almost evenly split. Energy recorded the largest decline, while materials led the gains. The Australian share market opened higher this morning.

On the data front, the US ISM services PMI rose 0.1pts to 54.1 in July (above 50 indicates expansion), slightly below market expectations of 54.5 but still signalling solid growth. The details showed slightly stronger growth in new orders, including export orders, accelerating prices and easing supply constraints. However, employment returned to contraction, recording its sharpest fall since March.

A separate ADP report suggested US employment rose by 44k in July, below the consensus forecast of 65k and the previous month's revised 95k. The increase was driven mainly by gains in education and health. ADP employment has traditionally been a poor indicator of the official jobs figures, which are due for release on Friday.

Across the Pacific, China's RatingDog services PMI fell 3.7pts to 50.4 in July, indicating the slowest expansion in nearly two years, while business confidence was the weakest since early 2020. The RatingDog composite PMI declined 2.8pts to a one-year low of 50.8.

Economic Data Review

- **CH:** RatingDog Services PMI (Jul) – Actual 50.4, Expected 53.7, Previous 54.1.
- **US:** ADP Employment (Monthly Change, Jul) – Actual 44k, Expected 65k, Previous 95k (revised).
- **US:** ISM Services PMI (Jul) – Actual 54.1, Expected 54.5, Previous 54.0.

Economic Data Preview

- **AU:** Goods Trade Balance (Jun) – Expected -A$1.1b, Previous -A$3.0b.
- **US:** Initial Jobless Claims (w/e 1 Aug) – Expected 205k, Previous 197k.